FOREIGN AGRICULTURE

U.S. rice shipment for Syria.

North American Pork Output

Amazonia

September 15, 1975

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Sacks of U.S. rice being loaded aboard ship for its trip to Syria, the first such purchase in many years. See article beginning page 10.

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High Feed Prices Set Back North American Hog Output

FOLLOWING one of the shortest cyclical upswings on record, pork output in Canada and the United States has turned sharply lower this year as producers continue to grapple with high production costs and wide price swings for their products. Where production goes from here is still quite uncertain, following the re-entry of the USSR into the North American grain market for corn and barley.

So far in 1975, hog marketings and slaughter in both the United States and Canada have been far below earlier expectations. In Canada, slaughtering during January-June 1975 plummeted 13 percent from the similar period of 1974 —nearly twice the 7 percent that had been forecast last December for first-half 1975. And slaughter is seen skidding further for a possible full-year decline of 20 percent.

In the United States, slaughter in the first 6 months of 1975 was off 11 percent from that in the 1974 period, compared with 8 percent forecast earlier, and a full-year loss of 16 percent is possible. Pork output in pounds is off even more this year owing to high feed costs and lower weights.

The decline follows a brief upturn in slaughter that began in Canada during the fourth quarter of 1973 and in the United States during the first quarter of 1974. That upturn saw Canadian hog slaughter last year rise 2.5 percent above 1973's and U.S. slaughter climb 6.6 percent, but it ended in less than a year compared with around 2 years for most cyclical ups and downs in hog output.

The main reason for the shortened cycle appears to be the more than normal uncertainty that has prevailed recently. The record hog output of 1971 and resulting drop in prices was followed in 1972 and early 1973 by favorable profit conditions. But then came widely fluctuating hog and feed prices, together with market disruptions in the North American meat industry.

Last year, prices for barrows and gilts at seven U.S. markets averaged about $35.50 per hundredweight live ($46 dressed), nearly $5 below those in 1973. The yearly average in Canada's Index 100 was $50.29 per hundredweight, or around $4.40 below that in 1973. These declines of course, coincided with still-high prices for mixed feed ingredients, putting producers in a cost-price squeeze, now being reflected in lower output.

The reduced output, in turn, has caused prices to strengthen this year. For instance, U.S. hog prices in late spring were between $48 and $50 per hundredweight compared with an average of only $28 in the second quarter of 1974. These strong returns are expected to continue on through the last half of 1975—early August prices ranged from $57 to $58.50, compared with $37 a year ago.

At Toronto, Canada, Index 100 prices in the late spring were averaging around $52-$54 per hundredweight for live hogs, for a nearly $10 gain from those of the 1974 period. Prices there continued to follow an upward trend through the summer, averaging well above the $42.25 recorded in the second quarter of 1974 and the $53 brought in the third quarter. Prices in late July and early August ranged from $58 to $60.

The 1974 price averages were not low by past standards—they were the highest recorded in any year except 1973—but they also do not reflect the full situation. There was, for instance, a precipitous decline in prices between August 1973 and May 1974. Together with soaring costs of production inputs —especially feed—these low prices caused North American hog producers to abruptly end their short upswing in hog production.

Because North American hog producers continue in a difficult position as they consider future production plans, there seems little likelihood of an increase in sow breedings before the last half of 1975. This, in turn means little possibility of larger hog marketings until around the latter half of 1976. And, if the current market price for corn continues above $3 a bushel during the critical breeding months of November and December, the increase in

Based on a speech by Dr. Alan M. Boswell, Agriculture Canada, before the Canadian Meat Packers Convention, Quebec City, Quebec, earlier this year.

marketings could be delayed until late 1977.

Any production turnaround will be dependent upon the level of feed costs in relation to hog prices. In the past, hog producers have not usually increased breedings until feed prices have actually fallen—anticipation of lower feed prices has very seldom resulted in increased breedings.

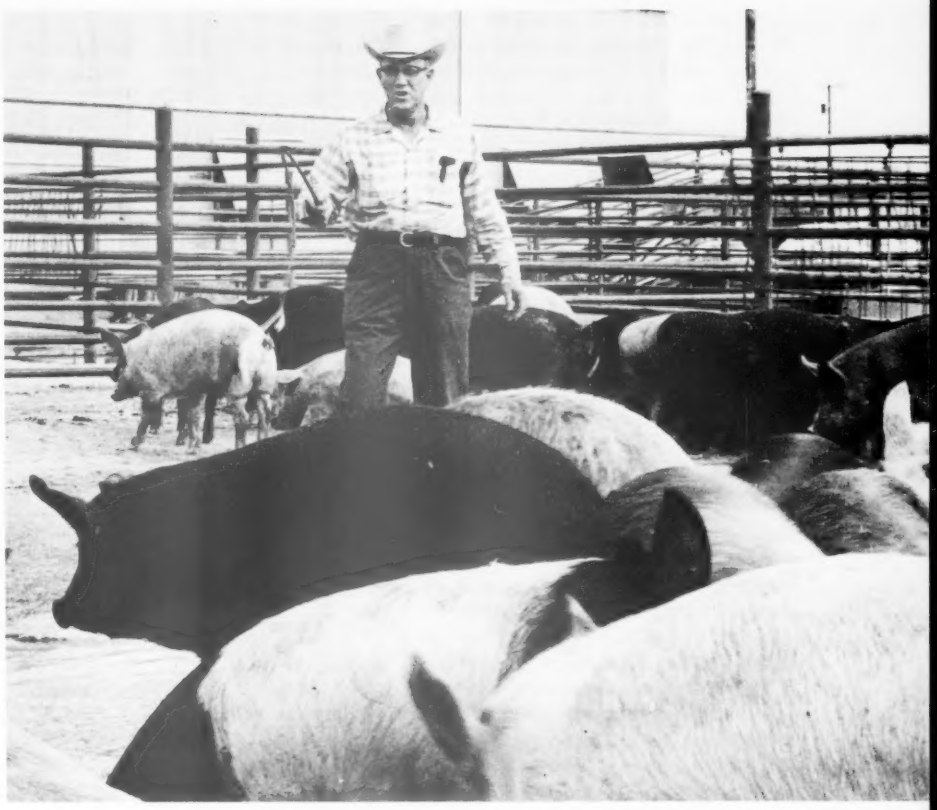
Of particular relevance for future output is what happens to consumer demand for meat, in view of the general economic slowdown. Over the years, rising incomes have carried meat consumption steadily upward, but the situation is now changing. In numerous countries, for instance, real incomes have been eroded because of escalating inflation, widespread work stoppages, and other problems—many related to the all-pervading energy crisis. Thus, "effective demand," which means not only the desire for commodities but also the ability to pay for them, has been reduced in several countries.

MEANWHILE, the highly cyclical nature of hog production poses reasons both for optimism and pessimism.

On the positive side are the strong recuperative powers traditionally at work in pork production. Even during the last 12 years, when hog slaughterings maintained a long-term upward trend, some declines as steep as those witnessed this year took place. One was in 1968, when Canadian hog slaughterings plunged 15 percent in the second quarter, followed by a 10-percent drop in U.S. slaughterings during the third quarter. These declines laid the basis for an even sharper rebound, culminating in quarterly gains of nearly 20 percent in mid-1970.

On the negative side are the many changes required in pork production plans, the greater chances of incurring losses, and recent problems in the export market for pork.

The cyclical nature of pork production is illustrated by production changes in the 32 quarters between 1967 and 1974. Canadian hog slaughter rose during 19 of those quarters at an average rate of 13 percent, but it also declined in 13 quarters at an average rate of 8 percent. And in western Canada, the magnitude of quarterly increases and decreases in slaughter was even greater, reflecting that region's high dependence on the export market.



Similarly, in the United States, the average increase for 17 quarters was 9.5 percent, and the average decrease for the remaining quarters, 7 percent.

The uneven distribution of production and consumption also can be troublesome in times of discrepancy between supply and demand.

Canadian pork consumption needs are greatest in the eastern Provinces, which have about 73 percent of Canada's population but only 57 percent of its hog marketings. In contrast, western Canada has just a little over a quarter of the nation's population but accounts for 43 percent of hog marketings (and a whopping 60 percent of Canada's cattle slaughter).

The outcome of all this is that pork production in eastern Canada is about one-quarter below needs, while in western Canada, it is two-thirds above requirements. Thus, western Canada is more vulnerable to changes in the world market and more dependent on reliable transportation even to get its products to the mass of Canadian consumers.

Similar differences are evident in the United States. The U.S. Pacific region is estimated to be over 90 percent defi-

Top, hogs await slaughter in holding pens of a U.S. packer. Above, quality-grading hog carcasses at a U.S. packing plant. Unfavorable cost-price ratios have sharply curtailed pork production in both the United States and Canada.

cit in pork; the Mountain region, about 60 percent deficit; the West South-Central region, 70 percent deficit; the Mid-Atlantic and New England regions, both over 90 percent deficit; and the South Atlantic, about 50 percent deficit. On the other hand, the West North-Central United States is nearly 500 percent surplus; the East South-Central is close to balance; and the East North-Central region is nearly 40 percent surplus.

Marketing the surpluses abroad has been easy in times of soaring consumer demand, but recently problems have developed.

CANADA, for instance, enjoyed relatively stable export demand for its pork exports during the 1950's and 1960's, then dramatic increases between 1969 and the peak year of 1973. But since then, it has suffered from a sharp drop in world demand for pork, plus other problems.

During the expansion years, Japan the United States, the Caribbean, the European Community, and Oceania were among those areas accounting for the export gains.

The increase in sales to Japan was facilitated by easier access to that market, especially from October 1971 to November 1973, with the relatively high plateau of Canadian hog production during the early 1970's making an export rise possible. Also contributing to expansion was the substantial increase in the value of the Japanese yen in terms of Canadian currency—27 percent between 1970 and 1973.

The turnaround in Canada's pork exports came in 1974, when total dressed pork exports were down about 27 percent from those of 1973. Most of the decline was in shipments to the principal markets of Japan and the United States, while shipments to other countries were up from 1973.

During 1974, Japan's total pork imports from all countries were sharply below those of 1973. The decrease in 1974 exports to Japan resulted in part from action by the Japanese Government in November 1973 to reimpose the 10 percent ad valorem duty on imports. The decline also was closely related to the raising of hogs and processing of pork under contracts negotiated by Japanese trading firms in Canada, Taiwan, Australia, South Korea, and the United States.

Paralleling the increase in Canadian pork exports was that in live swine shipments—from 16,960 head in 1969 to 90,190 head in 1973—except that there was no drop in 1974. In fact, exports of live swine through November 1974 totaled a huge 195,879 head, with nearly all—194,905 head—going to the United States for immediate slaughter. This was sharply above the 84,770 head (83,325 to the United States) shipped in the same period of 1973.

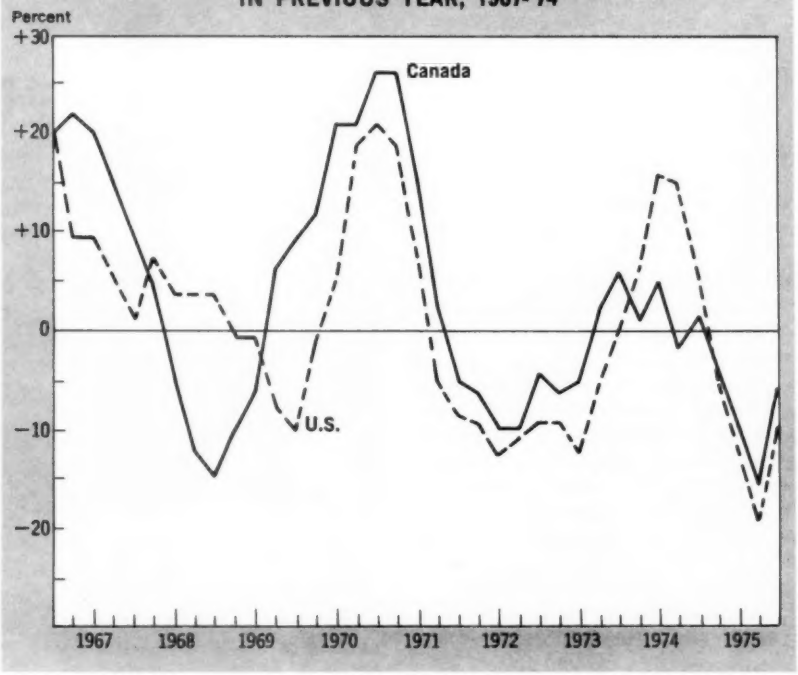
The large increase in live hog exports is largely related to the shutdown of major packing plants in Alberta during the summer of 1974 (owing to a labor dispute) and the increase in exports from Manitoba. Canada's imports of live swine, while never large, are mainly from the United States and are used for breeding purposes.

CANADA'S pork imports, on the other hand, moved up sharply to an annual average of $16 million during the 1960's from only about $1 million per year during the 1950's, reaching a peak in 1969. Imports then declined until 1971, only to turn up and increase from there on. Nearly all the gain has been in imports from the United States, reflecting the large differential in prices between the two countries.

Canada's imports of pork in 1974, at 75.6 million pounds, rose 34 percent above those of 1973, with the increase again due to the rise in pork imports from the United States. Since June 1974, Canada on a monthly basis has been a net importer of dressed pork in trade with the United States. However, in trade with all countries, Canada remained a net exporter of pork in 1974.

The switch in Canada's 1974 pork trade with the United States to a net import position in June was closely related to the steadily widening price spread for slaughter hogs between the two countries. The change in the relationship of hog prices reflects the sharp seasonal drop in Canada's hog gradings from a weekly average of 192,400 head during January-May, to 167,900 head during the June-September period. Other contributing factors were the continued movement of dressed pork exports to countries other than the United States (much of the pork, previously committed under contracts); the widening price spread for fed cattle between the two countries; Canada's large exports of live hogs during 1974, at 197,000 head; and remarkably strong Canadian demand for pork.

CANADIAN AND U.S. HOG SLAUGHTER: QUARTERLY CHANGES FROM SAME PERIOD IN PREVIOUS YEAR, 1967-'74



U.S. Ups Beef Promotion As Japan Quotas Expand

WITH AN EYE toward Japan's easing of import restrictions on beef, U.S. agriculture officials in Tokyo have been stepping up market promotion for the American product.

U.S. moves to strengthen beef promotion came in anticipation of an expansion in import quotas to counter an expected 90,000-ton deficit in Japanese supplies. Quotas have now been expanded to 34,130 metric tons for the first half of the Japanese fiscal year (April-March); an additional quota may be announced in October or November for the second half of the fiscal year.

National demand is estimated at 400,000 tons for the fiscal year. Domestic production is placed at only 280,000 tons, with a reduction in stocks adding to these supplies. The resulting deficit of 90,000 tons drove prices up sharply in early 1975, resulting in three separate actions since June to admit additional beef.

In June, Japan announced an import quota of 10,000 metric tons—the first general quota since purchases were suspended in February 1974. In addition, special quotas were announced to cover 1,000 tons of cooked beef and 500 tons of beef for restaurant use. In August, an additional beef quota of 2,630 tons was announced for shipment to Okinawa, including 230 tons for restaurants at the Okinawa Ocean Exposition.

Then, on August 29, the Government of Japan announced an additional 20,000 tons under the general quota. Of this amount, 18,400 tons will be alloted to the Livestock Industry Promotion Corporation, a quasi-Governmental purchasing agency. The other 1,600 tons will be alloted to designated importers.

Australia is historically the largest supplier of beef to the Japanese market. However, in the months before Japan closed its quotas in early 1974, the United States share was expanding, reflecting a growing taste for fresh, high-quality table beef. U.S. beef exports to Japan grew from only 707 tons in calendar 1972 to 11,260 tons in 1973—reaching about 12 percent of Japanese beef imports at the time purchases were suspended.

U.S. beef exports to Japan fell off to 6,071 tons in 1974, with about half of those shipments taking place in January and February, ahead of the buying suspension. Following the suspension, shipments continued at a lower level through 1974 and into 1975 as existing contracts were fulfilled. Also, the 1,000-ton annual quota for restaurant use was not affected by the suspension.

In the first 7 months of this calendar year, the United States exported 1,872 tons of beef to Japan, compared with 5,383 tons in the corresponding period of 1974.

U.S. shipments in March-June 1975 were slightly more than half what they were in that period of 1974. However, July exports to Japan were 354 tons, a definite gain over the 250 tons shipped in July of last year. Figures are not yet available to show the full impact on U.S. shipments of the 10,000-ton general quota announced in June; however, it is assumed that most of that quota is being filled by Australia.

SHIPMENTS from Australia are mostly frozen grass-fed beef used in manufacturing. Any increase in imports of chilled beef cuts, however, will benefit U.S. producers most. This is the prospect that is awakening new U.S. trade interest in the Japanese market for beef.

With the Japanese market closed to purchases for 16 months, American exporters were reluctant to put major effort into market promotion. U.S. agriculture and trade officials continued to press the Japanese for liberalization of beef imports, however. Secretary of Agriculture Earl L. Butz made that point during a visit to Japan last year, and subsequently in conversation with Japanese officials visiting Washington.

Now with some liberalization achieved and more expected, USDA officials at the American Embassy in Tokyo—headed by Agricultural Attaché Larry F. Thomasson—are engaged in new efforts to promote the U.S. product. Examples:

- Beef received major attention at the August 5-9 American Food Festival in Osaka. Five American firms exhibited and sampled beef products, winning taste approval from many of the 4,000 trade and Government executives attending the 5-day show. The five firms reported floor sales of $687,000 and projected additional sales of over $7 million in the next 12 months as a result of the August show. Two of the companies appointed agents during the week to handle sales in Japan. All reported a number of legitimate trade contacts with promise of sales. One firm alone reported 23 of these contacts. Invitations to the show were limited to trade and Government officials in a position to make buying decisions.

- USDA officials held a Tokyo press promotion August 26 in cooperation with the Suehiro restaurant chain. Suehiro, a 75-year-old company operating 75 restaurants throughout Japan, has been an importer of both beef and breeding cattle from the United States. It also carries on a summer-long "cowboy school" each year at its ranch near Mt. Fuji—a kind of summer camp program for Tokyo children. The school utilizes cowboy instructors on vacation from Oklahoma and Kansas Universities. This was all tied together in a low-cost promotion to focus media attention on the desirability of U.S. beef.

- Also planned is a series of beef seminars this fall and winter to emphasize the quality and uniformity of American beef. There are 830 meat shops in Japan licensed to handle imported beef, and U.S. officials hope to reach all of these meat handlers in a series of five or six seminars. Cooperating in this program will be the meat cutters association of Japan.

Officials emphasize that the scale of beef promotion will be keyed to the extent of Japan's import liberalization. Future plans are tentative and will depend in part on the interest shown by the U.S. beef trade. Another U.S. food show will likely be scheduled in Tokyo next spring, and it is hoped that American beef companies will be active in that show.

Although Japan's per capita beef consumption has been expanding very slowly, the potential is great. The desire for more beef, coupled with increasing incomes, indicates that an increase in consumption of 1 pound per person per year is feasible. More probable, however, is Japan's beef consumption target of about 8 pounds per person by 1985—a rise of about 3.2 ounces per year from 1972. For each 1 pound increase in per capita consumption, there would be an additional need for 48,500 metric tons of beef. Since domestic beef production cannot keep pace with demand, Japan's beef imports should increase.

A Look at Three Far Eastern Markets for U.S. Produce

By NORMAN R. KALLEMEYN
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ALTHOUGH returns this year may well fall off their 1974 records, U.S. fruit and vegetable shipments to three Far Eastern growth markets—Indonesia, Singapore, and Hong Kong—hold the potential for renewed strong expansion in the near future.

In the three markets, currently sluggish economies appear likely to pick up later this year, prices are becoming more attractive after climbing to demand-restricting levels in 1974, and several new sales possibilities are developing. However, the competition is stiff, and import restraints are numerous necessitating aggressive marketing efforts if sales gains are to be achieved.

Last year, U.S. fruit and vegetable exports to the three markets recorded the best export earnings ever, climbing to $44.6 million from $37.6 million the previous year and an average of only $17.3 million in 1968/72. The new record came as rising prices, plus large sales of fresh citrus and deciduous fruits, made up for diminishing volumes of processed product exports. However, increased wholesale prices, higher retail prices, and the general economic slowdown had begun to take their toll by late 1974, with most retailers reporting much slower sales of processed products. Moreover, with tourism on the decline, sales of fruits and vegetables to tourist hotels also began to slacken. As a result, U.S. fruit and vegetable product exports to the three markets are seen dipping this year.

Within the individual countries, prospects vary widely, reflecting differences in stages of economic development and U.S. penetration of the fruit and vegetable markets.

In Hong Kong, far the largest of the three markets, the United States maintained a strong position through 1974 and early 1975. However, overbuying on the part of some importers—with resulting losses on fresh fruit of $1-$1.50 per carton—portend a temporary slackening of sales.

Total U.S. exports of fruits and vegetables to Hong Kong soared to a record $37 million last year from $31.5 million in 1973 and $15 million in 1968/72, thus accounting for 83 percent of U.S. exports to the three markets last year. Citrus fruits were far the leading items in Hong Kong, earning $18.9 million last year, followed by deciduous fruits with $8.8 million.

U.S. oranges, apples, and grapes all enjoyed record sales in Hong Kong last year, despite stiffening competition. Hong Kong imports of U.S. oranges totaled 1.4 million hundredweight, or about 66 percent of total imports. Next largest supplier was China (PRC), with 373,253 hundredweight, followed by Taiwan and South Africa. The United States also dominated the grape market, supplying 144,908 hundredweight last year, for more than 70 percent of Hong Kong's total imports. However, imports of U.S. apples, at 196,020 hundredweight, accounted for only 21 percent, coming in well behind the nearly 500,000 hundredweight purchased from the PRC.

Other U.S. fresh produce entering Hong Kong in increasing quantities are plums (June-Aug.), lettuce (June-Sept.), celery (June-Sept.), and sweet cherries (June-July).

Improved container service into Hong Kong has undoubtedly helped trade in all fresh produce. The standard shipping procedure of most importers is to make early-season imports by air, supplying produce to hotels and selected retail outlets at high prices. After this initial "exposure," the products are brought in by container and sold through the wholesale markets in Kowloon (70 percent of volume) and Hong Kong Island (30 percent of volume).

Among U.S. competitors in the apple trade, the People's Republic of China is the largest single supplier but Canada provides the keenest competition. This is because the United States and Canada both ship primarily top-quality Red Delicious, which commands a higher price than apples from the PRC. While Canada's shipments are still well below U.S. volumes, those from British Columbia, Canada, have risen nearly 20-fold from the 4,170 hundredweight shipped in 1971 to 81,787 in 1974.

These top-quality British Columbia apples benefit from an intensive promotion program carried on by the three authorized importers in cooperation with the Canadian Trade Development (TDO). Under the promotion arrangement, British Columbia provides 25 percent of funds, the importers 33 percent, and the TDO the remainder. Promotion includes television advertising when British Columbia apples first hit the market, followed by newspaper ads.

Otherwise, the PRC is generally the most formidable competitor in fresh produce sales and is also supplying increased quantities and improved qualities of canned and frozen fruits and vegetables. In addition, Chinese raisins have reportedly almost entirely replaced U.S. raisins in the bulk import trade. The Chinese packs are 30 pounds and are priced at about 45 cents per pound, or one-half that paid for U.S. raisins.

Retail stores in Indonesia and Singapore likewise carry a significant share of PRC items.

In Singapore, where U.S. fruit and vegetable exports have more than doubled since 1968/72, there appears to be good potential for further expansion, especially in view of Singapore's position as a re-exporter to other markets of the Far East.

SHIPMENTS OF U.S. fruits and vegetables to Singapore last year hit a record $5.9 million, compared with $5.2 million in 1973 and an average of $2.1 million in 1968/72. Deciduous fruits, mainly apples, led the sales list at $1.9 million last year, followed by citrus fruit, $900,000; canned vegetables, $800,000; and dried fruit, $600,000.

Some of the recent expansion can be attributed to rising demand from Malaysia, since transit shipments of fresh fruit into Malaysia account for 35-45 percent of total imports. This trade pattern is expected to continue owing to the excellent receiving facilities in Singapore and the credit relationship between the Singapore traders and their Malaysian cus-

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Some scenes in Hong Kong—largest of the three Far Eastern markets for U.S. fruits and vegetables: Above, U.S. oranges in a street market; top right, U.S. fruit in a Hong Kong supermarket; and lower right, unloading U.S. oranges.

tomers. (Malaysia has a 40-cent-per-pound import duty on fresh fruit.)

Singapore importers seem to prefer 125s to 198s in oranges and Fancy grade apples. Fruit is sold by the piece and not weight; and street venders account for 75-80 percent of total retail sales.

The major U.S. competition in the Singapore orange market comes from Israel (600,000 cartons in 1974), South Africa (300,000 cartons), and Egypt (300,000 cartons).

Indonesia—although still a small market, taking only $1.9 million worth of U.S. fruits and vegetables last year—offers considerable growth potential. The country's rising importance as a raw material exporter (oil exports in 1974 were $5.2 billion compared with $1.6 billion in 1973) has increased foreign exchange holdings, while bringing some improvement in living standards. As a result, this country of 128 million people is exhibiting greatly expanded interest in produce. This interest is especially strong for fresh fruits, but is also evident for some processed items.

Optimism about this market emanates from many factors, including an interest in high-quality products, a large expatriot population; the development of new container receiving facilities; the possibility of a new buying organization to service about 50 of the medium-size tourist hotels; and the construction of a storage facility that will hold 80,000 cartons of oranges, 65,000 of grapes, and 45,000 of apples.

The optimism is tempered by the high import levy (70 percent of the c.i.f. value) on most fruit and vegetable products; an import and product registration system that tends to discourage trade; high markups; and increased costs arising from an inefficient port, storage, and marketing system. One offsetting factor is a reduction in the duty to 40 percent for importers that have "exclusives" on given products. British Columbia, for instance, enjoys an exclusive on its apples, which thus enter the market under the reduced import levy.

Export prospects are most encouraging for U.S. oranges, but apples and grapes should continue to register good growth. One importer stated hopes for a sales volume of 100,000 cartons of oranges within the next couple of years and plans to begin a promotion program in Indonesia as volume rises. Orange sizes prefered in Indonesia are 100s to 133s, and purchases are made according to weight.

Up until the past season, U.S. apple and grape shipments to Indonesia were very small, but both have shown good growth recently. The increase can probably be attributed to larger export supplies, improved shipping schedules to Indonesia, and importer interest. On apples, export expansion will be related to growth in personal income, with the United States and Canada competing for the segment of the population with enough additional income to purchase the higher quality and higher priced apples.

AMAZONIA Part 1

Brazilian Settlers Drawn to New Area

By R. L. BEUKENKAMP
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Brasilia

Despite heat and humidity, the climate of Amazonia is agreeable and the inhabitants are relatively free from diseases resulting from environmental conditions. Malaria, for example, accounts for only 2.4 percent of human illness in the area. Lack of knowledge about nutrition and unbalanced diet are the chief causes of human disease in Amazonia.

Where water flows, there are no mosquities or other insects. Water in streams is clear and potable, and supports an abundance of fish—some 2,000 species—including fresh-water dolphins, cowfish, and electric eels.

At night, the jungle quiet may be shattered by an explosion of complaints from monkeys concerning a sudden shower or other inconvenience, or by the scuttling of mucuras (rats the size of piglets) over rooftops.

However, wildlife is slowly withdrawing from settled areas.

For about $350, each Amazonia settler receives about 250 acres of jungle land and a simple wooden house similar to that above. Not more than half the acreage may be cleared.

BRAZIL's vast, fertile Amazonia region —one of the few remaining agricultural frontiers in the world—is slowly coming to productive life.

After centuries of dormancy, Amazonia's potentially rich crop and grazing lands and forests are responding to rising world food demand by yielding to the plows and chainsaws of agricultural developers.

Amazonia's 3 million square miles—located between meridians 43 and 74 and parallels 5 and 13—account for 59 percent of Brazil's total area and cover the States of Amazonia, Para, Acre, parts of Mato Grosso, Goias, and Maranhao, the Territories of Rondonia, Roraima, and Amapa. But this tropical wilderness thus far is inhabited by only 8 percent of Brazil's population, and contributes only 4 percent of the country's gross national product.

The region consists of dry land covered with forests and mixed vegetation and about 15,000 square miles of flood land (varzea) on both sides of the Amazon River. The 1.35 million square miles of tropical forests contain an estimated 25 billion cubic feet of lumber.

Most of Amazonia lies south of the equator and has high temperatures, humidity, and precipitation throughout the year. The Amazon River Basin is the world's only hydrographic system located in two hemispheres, and its adjoining lush forests produce so much oxygen that Amazonia is referred to as "the largest lungs in the world."

Amazonia's soils leave much to be desired as to fertility. Mineral soils are found on the higher lands, and the lower soils consist of clay and organic

matter—and are mostly wet. The rapid fermentation process in the tropics is responsible for the lack of humus building. Jungles must be cleared by burning before either crop cultivation or viable forest exploitation can take place.

Agricultural and commercial development in Amazonia is being carried out by private enterprise as well as by the Brazilian Government. In the area around the Jari River—which originates south of the border of Surinam and runs into the Amazon River system northwest of Belém—an American enterprise in 1967 bought about 3 million acres from a Portuguese company with the approval of the Brazilian Government and founded Jari Forestal e Agropecuária, Ltda., to which an industrial branch, Industrial e Comércio, S.A., was later added.

THE ENTERPRISE operates in the State of Pará and in the Territory of Amapá, with headquarters in Monte Dourado, Pará. The company has five operation centers and about 4,000 workers. Houses equipped with electricity and running water have been built, as well as schools, churches, sports fields, supermarkets, and health units. The workers, who come mainly from Maranhão and Piauí States, clearly are living more comfortably here than they did in their former homes.

In the 4 years that the company has been operating in the Jari River area, a port for ships of up to 9,000 tons has been built and a major expansion of the port facilities is expected to permit berthing of ships up to 40,000 tons. Nearly 200 miles of primary roads and 750 miles of plantation roads have been built, and about 600 additional miles of roads are scheduled to be added each year.

A 1.2-million-kilowatt hydroelectric project is planned for an industrial complex to be built on the Amapá side of the Jari River, with aluminum, cellulose, paper, hardboard, and other manufacturing units—all aimed at export trade—included in the complex. A city of 30,000 inhabitants is planned for the area.

Reforestation is being carried out on five blocks of about 125,000 acres each. Trees in the mixed jungles are cut, and the best ones are removed. Full exploitation of all usable lumber is unprofitable, however, because of high freight costs and the great distances to markets. After a few weeks of drying, the remaining logs and stumps are burned.

Initially, bulldozers were used to clear the forests, but these machines removed the topsoil as well as the vegetation with the result that the cleared areas rapidly become wastelands. Now, new trees are planted between the burned trees. The soil is worked very lightly to conserve its qualities. Reforestation workers earn the equivalent of $50 per month.

The Saracura cattle operation, south of the Monte Dourado headquarters, is headed by an American technician with long experience in animal husbandry. Of each calf crop, about 75 percent are of the Nelore breed (a Brazilian Indian breed), and 25 percent are Zebus.

Artificial insemination is used with good results, crossing Charolais animals with Nelore types. A growth of about 1,000 pounds in 18-24 months is obtained, compared with 36-45 months required for Zebu animals to reach the same weight. Water buffalo are finished up to about 770 pounds in 8 months.

The principal feed grass is of the Guinea variety, but Gordura, Molasses, and other types of grasses are being tried out in test plots.

A total herd of about 40,000 head is anticipated for the Jari River cattle operation.

Pigs are raised with success, and a slaughterhouse with veterinarian is available to supply meat for workers and their families.

Nearly 6,000 acres of long-grain rice are now under cultivation. After tests on small plots over several years, a large area was reclaimed by building dikes around a varzea area. The dikes serve both to empty the land of excess water and to irrigate crops. The difference in water levels between the wet and dry seasons is 9-22 feet. A rice drying and processing unit has been installed and is in operation, and the International Research Institute (IRI) has an experimental station located in the Saracura District.

Amazonia's organic soils are extremely difficult to work, and special machinery has been developed to cope with the requirements of mechanized operation. Fertilizer and herbicides are distributed by aircraft. Using the dry season to harvest as well as to plant permits yields of about 4 tons per acre—an outstanding production record.

IRI personnel detected a lack of sulfur in the local water—probably caused by the nonpolluted air of Amazonia. Appropriate fertilizing easily corrects this imbalance.

Although the daylight relationship at this latitude has made commercial production of soybeans questionable, some successful experiments have been conducted.

With proper inputs of capital, technical expertise, and management, there is no doubt that vast areas of Amazonia could be turned into profitable production of crops, livestock, and forests.

An unknown—and possibly dangerous—factor is the possible effects of large-scale deforestation on water supplies and climatic conditions in general. For example, when 13,000 acres of forest were burned recently, rain began falling 25 miles away on a bright summer day.

Government efforts to develop Amazonia have been greatly enhanced by the opening in 1971 of the Transamazonia Highway from Porto Franc (865 miles north of Brasília) to Itaituba, south of Santarém—a distance of about 1,900 miles.

COLONIZATION efforts have moved rapidly since that time. The Brazil Ministry of Agriculture, acting through the Instituto Nacional do Colonização e Reforma Agraria (INCRA) has reserved a strip 62 miles (100 kilometers) deep on each side of the Transamazonia Highway for settlers.

Eventually, the highway is to extend for 3,800 miles. INCRA's main objective has been to find an outlet for the surplus population of northeastern Brazil as well as to colonize Amazonia. INCRA's immediate goal thus has mainly socio-political overtones, with commercial agricultural development left to the future. Today, about 50,000 colonists and their families are settled on farms of about 247 acres (100 hectares) each.

The quality of the colonists varies, depending upon the regions of origin, but the results, on the whole, have been surprisingly favorable. Only about 15 percent of the colonists have dropped out or have been sent back because of noncompliance with their contracts.

A colonist, on arrival, is assigned 247 acres (100 hectares) on the border of the jungle, near the Transamazonia Highway, and a simple, wood house. The price is $350 for land and house, to be paid off over 20 years at a nom-

Continued on page 16

Syrians Buying U.S. Rice, First Purchase in Years

By SHACKFORD PITCHER
U.S. Agricultural Attaché
Beirut

Combining rice in Syria's Euphrates Basin near Raqqa. Syria is trying to boost domestic rice output but still imports large quantities.

FOR THE FIRST time in many years, Syrian housewives were able to serve U.S. rice to their families this summer. Nearly 22,000 metric tons of U.S. medium- and long-grain rice were purchased in May, and were delivered at Syrian ports in July and August. This rice was financed under the Title I, P.L. 480 agreement, signed on November 20, 1974, which provided dollar-credit financing for the purchase of $9 million of U.S. rice and up to $11 million of U.S. wheat.

The Syrian Government's purchasing agency, TAFCO, handles on an exclusive basis all rice imports which are often arranged bilaterally with governments of the supplying countries. Syria imported over 50,000 tons of rice in 1973, about half coming from Egypt and about half from the People's Republic of China.

Final trade data for 1974 have not been published, but according to preliminary import statistics, Syria bought 85,563 tons of rice from Italy and North Korea, which were among the major suppliers.

Between 1968 and 1973, Syrian import figures show only 10 tons of U.S. rice taken in 1972. This figure is a little misleading, however, as Syrian travelers to Lebanon often purchase food commodities—such as U.S. parboiled rice—that are not readily available in Syrian food stores. Also, there are many Syrian workers holding jobs in Lebanon and other nearby Arab countries who take food commodities with them when returning home for holidays and vacations. Thus, a couple of leading brands of U.S. rice are known to many Syrian housewives.

Syria has produced virtually no rice during recent years. This situation is expected to change gradually because the country's agricultural development plans are mainly directed to expanding production of crops now being imported —such as sugar and rice. In a country with limited rainfall and other water resources, the possibilities for rice production have been limited to the few river valleys where already the competition for available irrigated land and water is keen between food and commercial crops such as cotton.

Cotton is Syria's major irrigated crop and normally accounts for about 40 percent of the available irrigated land. With the recent completion of the Tabqa Dam on the Euphrates River, Syria's irrigated area is expected to more than double when all the projected irrigation systems are completed some time after 1975.

The agricultural development of most of the Euphrates Basin is being handled by the governmental authority, GADEB. Last year GADEB ran rice trials on about 500 hectares (1 ha= 2.471 acres) with two Egyptian varieties: Nahda 47 and Giza 170, with technical assistance provided by several North Korean rice specialists. The results of the trials are promising as yields averaged 5,104 kilograms per hectare (4,554 lb/acre). The Egyptian varieties are high-yielding, but late maturing.

During the 1975 season, GADEB has planted about 900 hectares of rice, with seeding completed by the end of May. Three types of sowing are used for the trials: Drilling, broadcasting by hand, and transplanting. Euphrates Basin soils are poor in phosphorus, so for last year's trials 90 kilograms of phosphate per hectare were applied. Ammonium sulphate was applied at the rate of 60 kilograms of nitrogen per hectare at the same time with the phosphate, 25 to 30 days after sowing. A second application of 30 kilograms was

made after 60-70 days, and for some fields a third because plants were weak. Heavy use of irrigation water was necessary due to high-soil permeability and the country's high temperatures. Two methods were followed: Continuous flooding with intermittent drying periods or flood irrigation every fourth day to the point of soil saturation.

The 1975 rice trials will include experiments with three U.S. seed rice varieties, namely Bluebelle, Labelle, and Lebonnet. If these experiments prove successful, Syria will most likely import U.S. seed rice until it can multiply enough seed for domestic requirements. Thus, imports of U.S. rice, to meet immediate rice requirements, may be followed up by imports of U.S. seed. In 1974, GADEB also ran some small trials with Giza 159 on saline soils.

IS THERE a long-term commercial market for U.S. rice in Syria? The answer seems to be in the affirmative as it will take some time before Syria can become self-sufficient in rice production, judging from the current rate that lands in the Euphrates Basin are being brought under irrigation and the competition for the available water and land by other crops, also important to the Syrian economy.

The future seems to hold a place for high-quality brands of U.S.-parboiled rice. They may never capture a large market share, but should always find a place on the Syrian market, thanks to their reputation and present acceptability by Syrian consumers.

The Syrian housewife wants quality rice. This can be illustrated by TAFCO's purchase of U.S. No. 2 rice, 5 percent brokens, one of the highest grades of U.S. rices exported. This rice will be distributed to consumers at a retail price yet to be set, but probably between 11 and 18 U.S. cents per pound.

In order to provide basic foodstuffs to the general population at reasonable and fixed prices, the Syrian Government subsidizes food items such as rice, sugar, vegetable oil, and bread.

At the present time, each household is entitled to a supply card that limits purchases of price-controlled items to established quantities each month. The supply card price for Chinese rice is currently 11 cents per pound.

When U.S. rice is marketed through this system, the price is expected to be 11 cents per pound, whereas the free market price will probably be 18 cents.

Norway's Tobacco Imports Up

Norwegian imports of unmanufactured tobacco shot up in 1974, as cigarette imports dropped by 12 percent.

Leaf imports so far exceeded requirements, however, that purchases in 1975 may fall off, including those from the United States. In the longer run, however, the United States will probably continue to supply much of Norway's quality tobaccos, especialy flue-cured.

Norwegian imports of U.S. leaf averaged slightly more than 3,000 metric tons in 1972-74 and are expected to stay in the 2,500-3,000-tons-a-year range, provided the tobacco types and grades required by Norway are available from the United States at competitive prices. However, some in the Norwegian trade believe that U.S. supplies of dark fire- and sun-cured Virginia leaf are becoming scarce. This has caused some traders to seek substitute leaf in Africa, particularly from Malawi.

Norway's tobacco act that took effect July 1, banning media and display advertising on tobacco and smoking accessories, may also affect usage of tobacco. However, the tobacco industry does not foresee a material decline in consumption resulting from the advertising ban.

In 1974, Norway's imports of unmanufactured tobacco totaled 7,098 metric tons, 35 percent higher than in 1973. Imports from Africa made up 44 percent of the market, while the United States—with shipments of 3,038 tons—had a 43 percent share, compared with 49 percent in 1973, based on imports of 2,592 tons.

The African imports came from Malawi, Mozambique, and Angola. Most of these consisted of tobacco already owned by Norwegian importers that was shipped to Norway for storage because of the uncertain African political situation.

Brazil, Bulgaria, and Turkey entered the Norwegian market in 1973 and in 1974 made small leaf shipments.

Major suppliers of Norwegian leaf imports in 1974, excluding the United States, (with 1973 totals in parentheses), in metric tons were: Mozambique and Angola, 1,638, (1,365); Malawi, 967 (461); South Africa, 510 (403); and Bulgaria, 205 (20).

Norway's cigarette imports declined by 12 percent in 1974, reflecting lower sales of factory-made cigarettes. Traditionally, Norway imported cigarettes from its four EFTA (European Free Trade Association) partners—Denmark, the United Kingdom, Switzerland, and Finland—from where imports were duty free.

Now that Denmark and the United Kingdom have joined the European Community, Norway will make future cigarette purchases from Finland and Switzerland, especially the former.

Norwegian cigarette purchases from Finland went from 25 metric tons in 1972 to 309 the year after, and to 634 tons in 1974. Those from the United Kingdom dropped from 374 tons in 1972 to 213 tons in 1974. Cigarette imports from the United States remained relatively stable, averaging 180 tons in the 1972-74 period, and stood at 166 tons in 1974. The United States also provided small amounts of cigars and pipe tobacco, with most of Norway's cigar imports in 1974 (37 metric tons) coming from the Netherlands and most of the pipe tobacco (46 tons) from Denmark.

Norway's most important tobacco export in 1974 was pipe tobacco, totaling about 5 percent more than the previous year's for a total of 509 tons. The main export market was Sweden, taking 56 percent of the total, while smaller quantities went to Denmark, Finland, Switzerland, and the Netherlands.

Consumption of hand-rolled cigarettes increased at the expense of factory-made cigarettes. Sales of manufactured cigarettes decreased in 1974 by an amount less than the estimated equivalent of the volume increase in hand-rolled cigarettes. Thus it seems that total usage was up.

Although there are no data available on the volume of cigarettes sold in Norway in recent years, it is possible to estimate sales by using the number of revenue stamps purchased and import data. For the years 1972/74, 1,813 metric tons of manufactured cigarettes were apparently sold—1,163 tons of which were imported and 650 tons of domestic manufacture. Using a similar calculation method based on the sales of cigarette papers, an average of 4,050 tons of tobacco were probably used during the period for hand-rolled cigarettes. —Based on report from

Office of U.S. Agricultural Attaché
Copenhagen

India's Textile Industry Hit by Domestic and World Problems in 1974

The Indian textile industry, the original source of cotton cloth for Europe, is suffering from high textile prices and consumer resistance internally, as well as from effects of the world textile recession. India is the world's largest exporter of cotton cloth and an important supplier of textiles to the United States under the International Multifibers Arrangement and bilateral agreements. India also has recently become an exporter of longer staple cotton.

While India's raw cotton exports are only about 5 percent as large as those of the United States, India's raw cotton equivalent of textile exports plus raw cotton exports is about one-fifth as large.

Although North and South American Indians were weaving textiles from cotton long before the Europeans arrived in the Western Hemisphere, it was from India that cotton textiles first were introduced into Europe. It is believed that the first imports arrived in Europe via the Middle East in about 1500 B.C. India remained the center of world trade in cotton textiles from that time until about A.D. 1800. Even at the present time India continues to export more cotton in product form than as raw cotton.

The raw cotton equivalent of India's textile and yarn exports is something over a half-million bales (480 lb net), while raw cotton exports are about 200,000 bales. Textiles account for almost 10 percent of India's total export earnings.

In mid-1974, the greater world demand for raw cotton, coupled with inflationary pressures, caused Indian mills to double textile prices. This met with consumer resistance and a decline in sales. By the end of the year, textile prices had fallen by 15-20 percent. The strong midyear demand and the decline toward the end of 1974 were correlated with the world textile recession which began to make itself felt late in 1974 and continued to worsen in 1975. The reduced demand at home and abroad was accompanied by a power shortage in Bombay, which helped to reduce the city's mill activity to 50 percent.

With 25 percent of India's industrial labor force employed by the textile industry, the textile recession and power shortage have had a drastic effect on the Indian economy, even though cotton is still the dominant fiber.

Cotton cloth production climbed from an average of 7.6 billion linear meters (1 m=1.09 yd) in 1965-69 to an average of 8 billion in 1972-74. Exports of cotton cloth averaged 584 million meters in 1972-74.

Total exports of all cotton manufactures were equivalent to about 578,000 bales of raw cotton per year during these 3 years. Production of manmade fiber fabrics—which averaged 898 million linear meters each year between 1965 and 1969—actually declined to a yearly average of 863 million linear meters in 1972-74.

Exports of manmade fiber fabrics doubled from an annual average of 21 million linear meters ($5.4 million) in 1965-69 to 40 million linear meters ($21.5 million) in 1972-74.

Cotton's share of India's exports of readymade garments increased almost steadily from 59 percent ($23 million) in 1968 to 86 percent ($125 million) in 1972. Cotton's share of total 1972 fiber exports was 90 percent. (Data through 1972 is the latest in some instances.)

Cotton piece goods account for the largest share of India's cotton product exports, amounting to about 55 percent of the total in 1972. The largest markets for these exports in 1972 were the USSR (24 percent), the United Kingdom (20 percent), and the United States (16 percent).

—By Robert W. Johnson, FAS

BANK OF BRAZIL FILLS FARM CREDIT VACUUM

In many countries, one of the chronic shortages facing nearly all small farmers—and many larger ones—is the lack of credit at reasonable terms. In Brazil this need is largely being met through generous lending programs of the Banco do Brasil (Bank of Brazil), according to an article in a recent issue of *Estado do São Paulo*, a Brazilian publication.

The Bank provides not less than two-thirds of all farm credit, while providing about 40 percent of the credit used in the private sector.

Such credit is used for a wide range of activities—from financing soil reclamation and conservation programs to providing funds for the purchase of farm inputs such as seed and fertilizers. The Bank also makes both long- and medium-term investments for constructing farm buildings and for the purchase of machinery.

A farmer—or anyone with an acceptable reputation and skill who intends to engage in agricultural production—may be eligible for loans for farming purposes. Small farmers are able—even without collateral—to obtain credit equal to 50 times the highest minimum wage set in Brazil (the highest now being about US$68 per month, based on an exchange rate of NCr$8.08=US$1). Collateral is only required for construction of buildings and other similar heavy-investment projects that cost more than the limit fixed by the policy of lending according to the minimum wage.

Future crop and cattle production is accepted for loan collateral. In the case of loans for the purchase of farm machinery, future improved and increased farm production to be derived from its use, is often considered as a loan guarantee.

The Bank ostensibly charges an interest rate of 10 percent on loans based on the minimum wage and 15 percent on larger investments. Actually, the Bank's interest rates range from 0 to 15 percent, depending on the nature of the loan.

In the case of inputs intended to increase production, such as medicine for animals, the Government grants a subsidy of 8 percent so that the actual interest charged by the Bank in such cases is limited to 7 percent per year, at the most.

In some regions, such as Amazonia and northeast Brazil, the Government often cancels out interest payments by various means. Recently the Brazilian Government granted a 40-percent subsidy on fertilizers used by farmers. Other special financial programs are also made available through cooperatives and various Government agencies such as PROTERRA and POLOCENTRO.

Small farmers also benefit from credit programs available from their cooperatives.

—Based on report from *Office of U.S. Agricultural Attaché Brasília*

Civil Unrest Hurts Angolan Coffee Trade

THE PROSPECT of a severely reduced Brazilian coffee crop for the next 2 years is not the only bullish factor presently affecting the world's coffee situation. Angola, second only to the Ivory Coast in African coffee production, is experiencing vastly different, but almost as serious problems in its coffee sector as well.

For the past few years, annual coffee production in Angola has averaged 3-3.5 million 60-kilo bags. The 1975/76 coffee harvest, however, is expected to total only about 2 million bags, and some trade sources estimate that it may even be substantially less.

The rapid dropoff in Angolan coffee production is mostly attributed to political unrest and a shortage of labor for harvest in the major producing areas. A lack of beneficial rain earlier in the season has further aggravated the production problem.

Traditionally, most of the laborers who worked in the important northern coffee region came from the southern part of Angola. Now, however, there are three political fronts operating in Angola, each with different geographical strongholds.

The southern Angolans, who formerly came to the north for the coffee harvest, have returned to the south because of political and tribal differences. The unrest in the north has also caused a large-scale exodus of European settlers who had owned most of the medium and large coffee plantations.

Production is not the only aspect of the Angolan coffee industry that has been affected by the shortage of labor and the departure of many plantation owners. The unrest has disrupted the normal flow of coffee exports as well.

In 1974, Angola exported about 3 million bags of green coffee. This year, however, very little coffee has left the country. Docking in Luanda, Angola's major port, is paralyzed, with many ships waiting up to 3 months to be loaded.

Coffee stocks in Angola are estimated to be 2.8-3.2 million bags (approximately equal to a year's harvest), enough to fulfill export commitments. But due to a transportation problem, much of the stored coffee from previous harvests is still awaiting shipment from warehouses in the interior.

As a result of the transportation difficulties, offerings of sale coffees have been sparse, and price quotes for Ambriz BB (the standard Angolan grade) have been virtually nonexistent on the market.

About 60 percent of Angola's coffee exports go to the United States, its largest market. Due to the paralysis of the port in Luanda, however, and some litigations between U.S. importers and the Angolan Coffee Board, U.S. demand for Angolan coffee has diminished considerably this year. U.S. imports of green coffee from Angola for January-June 1975 totaled 550,000 bags, compared with 1.8 million in the same period of 1974.

The short-term outlook for the Angolan coffee sector will depend a great deal on the unsettled political situation, once independence from Portugal takes effect this fall. Until the labor needed to harvest the coffee is again available, and the major ports can resume their normal flow of shipments, coffee—Angola's chief source of foreign exchange—will continue to experience serious problems.

—By NEIL A. LAWRANCE, FAS

Thailand Expects Record Grain Crops

Thailand's favorable July growing weather has brought early predictions of record grain crops.

The second rice crop of the 1974/75 year is estimated at 1 million metric tons of paddy from 950,000 acres, and the Government has set a producer floor price of about $120 per ton. Rice production in the main 1975/76 crop season could reach 14 million tons of paddy.

The early corn crop is moving into the market. Indications are the harvest will be larger than anticipated. Corn production for the 1975/76 season is estimated at 2.8 million tons.

Grain sorghum production for the 1975/76 crop is estimated at 300,000 tons from a planted area of 504,250 acres.

Tapioca growing conditions have been favorable, with desirable vegetation growth. Many areas in the northeast that produced kenaf in the 1974 season have been switched to tapioca. Production of fresh tapioca roots is expected to be a record and higher than the previous estimate.

However, output of tapioca products may not increase accordingly. Increased rainfall results in high-moisture tapioca with less starch content than in an average year. Production of tapioca products is estimated at 4.3 million tons for 1975/76.

Thailand's imports of wheat and flour in April-June were low. Millers were reluctant to make new purchases, as they were expecting a record U.S. wheat crop and lower prices wheat flour continued high—a result of purchases made principally during the previous quarter.

Corn exports in the April-June quarter were not as active as in the previous quarter, as it was the end of the trading season and most contracts had been fulfilled. Only 230,124 tons of corn were exported in the second quarter of calendar 1975.

Exports of grain sorghum were not as high in the April-June quarter as in the previous quarter. Only about 50 000 tons of grain sorghum were exported in April-June 1975, compared with twice that volume in January-March.

The Government failed to take prompt action to stimulate the grain trade during the second quarter. Grain sales and exports were mostly to regular buyers who had signed contracts earlier. Exporters and importers delayed shipments pending establishment of new Government policies.

To boost lagging rice exports and to make Thai rice more competitive in the world market, the Government on June 3 lowered the rice export premium schedule.

To encourage greater use of fertilizer, the Government bought about 50,000 tons of fertilizer for use on rice, paying about $190 per ton c.i.f. Bangkok. The Government set the price at the farm at 19 U.S. cents per kilogram. In addition, the Government subsidizes the cost of transporting and handling fertilizer from Bangkok to the farm. However, the amount of fertilizer in Government stocks is not sufficient to meet the requirements of the farmers.

—Based on reports from
Office of U.S. Agricultural Attaché
Bangkok

CROPS & MARKETS

TOBACCO

U.K. Tobacco Advertisers Adopt Voluntary Code. A new voluntary code restricting tobacco publicity was recently announced by the United Kingdom's advertising industry's self-policing Advertising Standards Authority. Romantic success, manliness, youth, and health may not be linked with smoking under the new rules negotiated with the tobacco industry after the Ministry of Health threatened to legislate mandatory advertising and manufacturing restrictions. Cigarette advertising may now be examined and rejected by the Authority prior to publication. Cigar and smoking tobacco ads are currently exempt from these restrictions.

OILSEEDS • PRODUCTS

Brazil Clarifies Soybean Export Policy. On August 27, officials of CACEX, the Bank of Brazil, denied recent reports that Brazil's export registrations for soybeans had been suspended. The Cacex officials said that the only change in the soybean export policy was soybean crushers' relinguishment of their right to export soybeans.

The crushers previously could export 10 percent of their allocation in the form of soybeans. This export quota has now been transferred to the cooperatives. The cooperatives have also been allowed to export the soybeans bought by the Government under the current price-support program.

U.S. Palm Oil Imports Soar. U.S. imports of palm oil in July rose to 131.1 million pounds—more than five times the quantity imported in July 1974, when imports totaled 25.3 million pounds. Cumulative imports during January-July soared to 463.8 million pounds, 180 percent above the 165.8 million imported in the same months last year. The principal suppliers of palm oil to the United States were Malaysia, 380 million pounds; Indonesia, 47 million pounds; and Singapore, 35 million pounds.

Japan's Rapeseed Crop Down. Japan's 1975 rapeseed crop will decline to 7,270 metric tons from 9,100 tons in 1974, according to an official estimate by the Japanese Ministry of Agriculture and Forestry. Rapeseed area totaled over 130,000 acres in 1974 but decreased to approximately 109,000 acres this year.

Major-Market Oilseed and Meal Imports Rise. During October 1974-June 1975, combined imports of oilseeds and meal into six major markets (Denmark, France, Japan, Spain, United Kingdom, West Germany), totaled 10.8 million metric tons, soybean meal equivalent basis—up 0.8 percent or 78,000 tons from the same 9 months of 1973/74. The gain is equal to the protein fraction of 4 million bushels of soybeans and reflects increased feeding rates due to relatively low meal prices in relation to grain, although livestock and poultry numbers in some countries declined.

Imports in May 1975 rose to 1.3 million tons, the largest volume since December 1974. June imports declined seasonally to 1 million tons, down slightly from June 1974's.

Imports of soybeans and meal into the same six countries during October 1974-June 1975 amounted to 7.7 million metric tons—87,000 tons, or 1.2 percent, above those of the same period in 1973/74. Despite the overall gain, imports by Japan and the United Kingdom declined significantly.

The strength in soybean meal demand chiefly reflects the 24 percent drop in soybean meal prices, basis Europe, during October 1974-June 1975 from those of the same period in 1973/74. Comparable European Community corn prices during the 1974/75 period increased by 9 percent. Soybean meal prices in recent months have been at, or below, corn prices on a per-ton basis, and the relatively low meal prices have stimulated meal demand in some EC countries despite reduced animal and poultry numbers.

NET IMPORTS OF SOYBEANS AND MEAL AND TOTAL OILSEEDS AND MEAL INTO SELECTED MAJOR MARKETS [1]
OCTOBER-JUNE

Country	Soybeans and meal		Total oilseed and meals	
	1973/74	1974/75	1973/74	1974/75
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Japan	2,203	1,913	2,876	2,469
West Germany	1,904	2,205	2,865	3,337
France	1,301	1,318	1,808	1,745
Spain	1,046	1,127	1,275	1,319
United Kingdom	662	601	1,126	1,080
Denmark	496	535	766	844
Total	7,612	7,699	10,716	10,794
		Percent		Percent
Changes from previous period	—	+87	—	+78

[1] Expressed in 44-percent soybean-meal equivalent.

COTTON

Carryover Stocks Boost World Cotton Supply. Near-record carryover stocks of nearly 30 million bales—5 million more than those reported on August 1 of last year—will insure a more than adequate world cotton supply, despite faltering production. World cotton output for 1975/76 was recently projected to dip about 6 percent below last season's record 63.1 million bales. The United States faces particularly strong competition in export markets because of unusually large foreign stocks of medium-count qualities.

World cotton consumption, depressed since early 1974, is expected to begin a moderate improvement early in 1976, barring a setback to world economic recovery. Consumption could climb around 1.5 million bales above the low 1974/75 level of 58.1 million bales.

World trade, now estimated at 18.2 million bales, is expected to grow by 1.3 million bales, most of which will be registered by increased shipments from foreign non-Communist exporting countries.

Indian Cotton Crop Progressing Well. If good early-summer rains continue through the sowing season, India's 1975 cotton crop, planted on a slightly reduced area of about 18 million acres, could exceed 5.8 million bales, about 200,000 bales above both the 1974 crop and the first production estimate for 1975, and 600,000 above the 5.2-million-bale production target. Planting is still in progress in the south but is completed in the northern states, where the crop is reported in excellent condition.

The Sudan reportedly broke off trade dealings last summer after India, now self-sufficient in long-staple cotton, failed to import agreed amounts of those qualities from Sudan, as provided in the 1975 bilateral trade agreement between the two countries.

LIVESTOCK • PRODUCTS

Japan Extends Pork Duty Waiver. On August 20, the Government of Japan postponed the termination of the current duty waiver period for imported pork from August 31 to October 31, 1975. Latest price information indicates that wholesale pork prices are running approximately 30 percent above the established ceiling price of 680 yen per kilogram (a little over $1 per lb).

GRAINS • FEEDS • PULSES • SEEDS

Mexican Corn Output Rise Projected. Mexican 1975/76 corn production is projected to increase by about 20 percent over the poor 1974/75 crop. This year's harvest is currently forecast at 9.3 million metric tons compared with 7.7 million tons in 1974/75, when yields were reduced by a severe frost last September.

Despite the substantial increase in production, Mexico is expected to import about 1.3 million tons of corn, all from the United States, to round out its consumption requirements in the 1975/76 October 1-September 30 season. Mexico imported 2 million tons of corn in the 1974/75 season, of which the United States supplied 1.3 million tons.

South Africa's Corn Output Falls. The latest official estimate of 1974/75 corn harvest in South Africa now places production at 9.8 million metric tons, a 4 percent reduction from the previous estimate. South Africa produced a record corn crop of 11.1 million tons in 1973/74.

Marketing of this year's corn crop is considerably later than usual, with only 5.7 million tons—64 percent of expected marketing—delivered by end July. South Africa continues to have difficulties with its corn exports because of the limitations of its railroad system.

Canada's Grain Crops All Above 1974's. Canada's estimates of 1975 grain production, as of August 15, show increases over 1974 output for all grains. Estimated 1975 production, in million bushels, with 1974 output and percentage change in parentheses, is: All wheat, 595 (488.5, +22); barley, 426.8 (404.3, +6); oats, 293.1 (254.7, +15); and rye, 20.1 (18.9, +6). USDA's export estimate for Canadian wheat during 1975/76 remains at 475 million bushels (13 million tons).

Rotterdam Grain Prices and Levies. Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Sept. 8	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5	6.09	+20	5.60
USSR SKS-14	(1)	(1)	(1)
French Feed Milling [2]	4.21	−15	(1)
U.S. No. 2 Dark Northern Spring: 14 percent	5.51	+16	5.52
U.S. No. 2 Hard Winter: 13.5 percent	5.12	−2	5.44
No. 3 Hard Amber Durum	7.21	+7	7.50
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	4.42	−2	(1)
Feedgrains:			
U.S. No. 3 Yellow corn	3.47	−17	3.75
French Maize [2]	3.66	−21	(1)
Argentine Plate corn	4.14	−9	4.04
U.S. No. 2 sorghum	3.28	−16	3.58
Argentine-Granifero sorghum	3.31	−19	3.68
U.S. No. 3 Feed barley	3.38	−16	3.21
Soybeans:			
U.S. No. 2 Yellow	6.16	−25	7.73
EC import levies:			
Wheat	.60	+17	0
Corn	.56	+25	0
Sorghum	.73	+25	0

[1] Not quoted. [2] Basis c.i.f. west coast, England
NOTE: Price basis 30- to 60-day delivery

PRC Reports Record Early Rice Crop. The People's Republic of China (PRC) is claiming a record 1975 early rice harvest. A slight increase in area and an overall increase in yields have probably resulted in a crop 2.3 percent above the 1974 record. The early rice crop now accounts for approximately 45 percent of the total harvest, up from around one-third some 15 years ago.

Argentina Raises Corn Estimate. The Argentine Ministry of Agriculture estimates its 1974/75 corn harvest at 7,700,000 metric tons, up from the first estimate of 7,545,000 tons. Excessive late-season moisture reduced output, but not as much as had been expected at the time of the first estimate.

Swedish Grain Crop Drops, But Above Average. Sweden's 1975 grain production is estimated at 4.9 million metric tons, 22 percent below last year's record but 5 percent above the 1969-73 average. The Swedish wheat crop is estimated at 1.2 million tons, down an unusually high 1.8 million tons in 1974, but 16 percent above the 5-year average.

Barley output, at 1.9 million tons, is down from 2.4 million in 1974, but 5 percent above the 1969-73 average. Production of oats in 1975 is put at 1.4 million tons, 300,000 tons less than last year's and 4 percent below the 5-year average; and rye output is 320,000 tons, down 27,000 tons from 1974's but 15 percent above average.

Swedish wheat exports in 1975/76 are projected at 500,000 tons, compared with 1,045,000 tons in 1974/75. Feedgrain exports are projected at 650,000 tons, 50,000 tons above last year's.

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Brazilian Settlers

Continued from page 9

inal interest rate. The colonist receives title to the land after 3 years, by which time he must have shown that he cleared (burned) a reasonable acreage of the jungle and planted useful crops on the cleared area. The colonist may clear up to half his land, and must leave—for ecological reasons—at least half in forest.

The Banco do Brasil provides low-interest, long-term credits for the tools—a chain saw, for example, is a costly and essential item—needed by the colonists. INCRA trains colonists in the use of the tools, as improper use of chainsaws can result in death or serious injury.

About 85 percent of Amazonia's settlers and their families come from the underdeveloped northeast, but others come from the developed south—from Rio Grande do Sul, Santa Catarina, Paraná, São Paulo, and Minas Gerais.

The historic structure of large land ownership (latifundios) makes growth opportunities on farmland of the northeast very limited. In Amazonia, a settler can soon become the independent owner of 247 acres of land. Cane-cutters in the northeast, earning as little as $2 per day for cutting 2 tons of cane, look to Amazonia as a dream come true.

Settlers from the south, on the other hand, come to Amazonia for different reasons. Land prices in the south are heavily influenced by speculation, so that a realistic relationship between productivity and the price of land has been lost. Consequently, some small farmers—even those from prosperous Rio Grande do Sul, Santa Catarina, and Paraná—are faced with the choices of buying more land at high prices to farm more efficiently or moving to Amazonia and starting a new life. Settlers from the south tend to be more market-oriented in their approach—a factor that is lacking among settlers from the northeast.

ZAIRIANS MAKE FIRST U.S. POULTRY PURCHASES

Zaire made its first purchase of U.S. poultry in May 1975, with the 20-ton shipment being sold at the average rate of a ton a minute to some of the Zairians shown above. U.S. agricultural exports to Zaire in calendar 1974 totaled $11.3 million, up from the previous year's $9.2 million. The most important elements of this trade were unmilled wheat and unmanufactured tobacco, with respective values of $6.4 million and $2.7 million.

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